CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

S-E-C-R-E-T

25X1

COUNTRY	East Germany	REPORT	
SUBJECT	VEB Eisen-und Huettenwerke Thale (Harz)	DATE DISTR.	13 April 1955
		NO. OF PAGES	3
DATE OF INFO.		REQUIREMENT NO.	RD
PLACE ACQUIRED		REFERENCES	

25X1

25X1

This is UNEVALUATED Information

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

1. General

a. Because of its antiquated equipment, VEB Eisen-und Huettenwerke Thale (Harz), formerly operated by Otto Wolf, Eisen-Grosshandlung of Cologne, was not dismantled after the war.

b. After being shut down for a while, the plant resumed production in the fourth quarter of 1945 under Russian management. It became part of a Soviet limited liability company (SAG Marten) early in 1946.

c. It was not until 31 December 1953, when other SAG concerns were returned that this plant came under the control of the East German Government.

2. Organization of the Plant

The plant is made up of the following sections:

Steel mill
Rolling mill
Stamping press shop
Enamelling shop
Container and apparatus construction shop
Metal ceramics shop
Foundry for light metals
Iron and steel foundry with pattern-making and molding shop
Repair shop
Plant for making dolomite, chamotte, and silicate fireproof bricks, located outside the plant.

3. Steel Mill

a. The steel mill is equipped with three 50-ton Siemens-Marten furnaces and three 10-ton electric furnaces, and has two gas producers, 2.60 m. cross section each, for making the gas used in the plant.

b. The equipment of the steel mill was completed in 1949 by the replacement of the old gas main by a new one of larger diameter, and by the installation of a new 75-ton pouring crane. No expansion of the steel mill took place at that time nor was any planned.

S-E-C-R-E-T

25X1

STATE	X	ARMY	X	NAVY	X	AIR	X	FBI		AEC					

(NOTE: Washington distribution indicated by "X"; Field distribution by "#".)

4. Rolling Mills

a. The rolling mill comprises a cogging mill with a 3-high stand for rough rolling ingots of 360 mm. cross section, a 3-high finishing stand and a 2-high polishing stand for sheet billets of 7 to 3.2 mm. thickness, 300 mm. width, and lengths of 500 to 1700 mm., as well as 7 mm. sheet billet strips in lengths of 50. m. These stands are driven by a 1500 kw motor. Most of the billets are passed to thin sheet rolling mills I and II.

b. Thin Sheet Rolling Mill I was at one time equipped with four trains of rolls [redacted] but Train [redacted] was removed during the war as unserviceable. Each mill train has a 2-high rough rolling stand and two 2-high stands of finishing rolls. In these stands, billets are rolled to sheets of 0.2 to 3.9 mm. thickness. Since August 1953, Train [redacted] has been fully mechanized but Trains [redacted] are still operated by hand. 25X1

c. Thin Sheet Rolling Mill II is equipped with three trains of rolls, viz. 25X1

[redacted] (one 3-high stand and two 2-high finishing stands) 25X1
(one 2-high stand and two 2-high finishing stands)
(one 2-high stand and two 3-high stands)

In the middle of 1953, Train [redacted] was fitted with an individual electric drive. Rolling Mill II is equipped with lifting tables, mechanical duplicators (Doppler), etc., and is fully mechanized. Sheets of the same thickness as in Mill I are turned out in this mill. 25X1

d. The cold rolling mill is equipped with two 2-high stands and one 3-high stand. It turns out sheet iron for transformers and motor bodies.

e. No notable improvements were required in the rolling mills after the two reheating furnaces had been rebuilt and a new gas producer installed.

f. The chief customers for the sheet iron produced by the plant are: VEB Waggonbau Dessau; VEB Waggonbau Ammendorf; VEB Waggonbau Weimar; VEB Elektro-Apparate-Werke J. W. Stalin, Berlin-Treptow; and VEB Sachsenwerk Niederseedlitz.

5. Stamping Press Shop

a. In this plant there are 36 stamping presses, most of them are new. The manufacture of consumer goods, which recently has been so prominent in East German propaganda, has strained the capacity of this plant considerably, though not to the extent that would have been the case had there not been so great a shortage of raw material.

b. This section of the plant makes domestic ware (for enamelling later), containers for carbide and fuel, switch boxes for the electrical industry, and turbine blades.

6. Enamelling Shop

This shop is equipped with 6 muffle furnaces and two drying furnaces.

7. Metal Ceramics Shop

Small machine components of sintered iron and Enthalit[1] are made in this shop.

8. Foundry for Light Metals

This foundry has four smelting furnaces and is capable of turning out 80 tons of mold castings and sand castings per month.

9. Iron and Steel Foundry

a. The iron foundry is equipped with 4 cupola furnaces having an aggregate output capacity of 1000 tons per month. It chiefly produces ingots, furnace plates and fittings, bath tubs, and sanitary castings.

b. The steel foundry is equipped with three 150-kg. carbon rod furnaces (Graphitstabofen) and two 300-kg. carbon rod furnaces. Tool steels and heat-resisting chrome-nickel steels are produced here. Output capacity is about 60 tons per month.

[redacted] 25X1

10. Production and Costs

a. As a result of the subordination of the Thale iron and steel plant to East German administration, a considerable increase in the volume of production is to be noted.

b. [redacted] the value of the plant when it was transferred to the East German Government at the end of 1953 was 31,200,000 eastmarks, and the turnover for 1953 was given as 118,400,000 eastmarks. [redacted] 25X1
[redacted] the losses incurred amounted 18,300,000 eastmarks, attributable to the difference between the cost of manufacture and sale price. A ton of ingot steel costs 158 eastmarks to make but the sale price is only 109 eastmarks. 25X1

c. Although the increase in the production of consumer goods in 1954 reduced the gap between costs and sales to some extent, a large proportion of products had to be scrapped or was damaged in manufacture. As a consequence, the Thale iron and steel plant has been included among the plants, which have been directed by the Ministry to reduce manufacturing costs as first priority in order to become paying concerns.

[redacted] 25X1

[redacted] 25X1